Apr-June 2014
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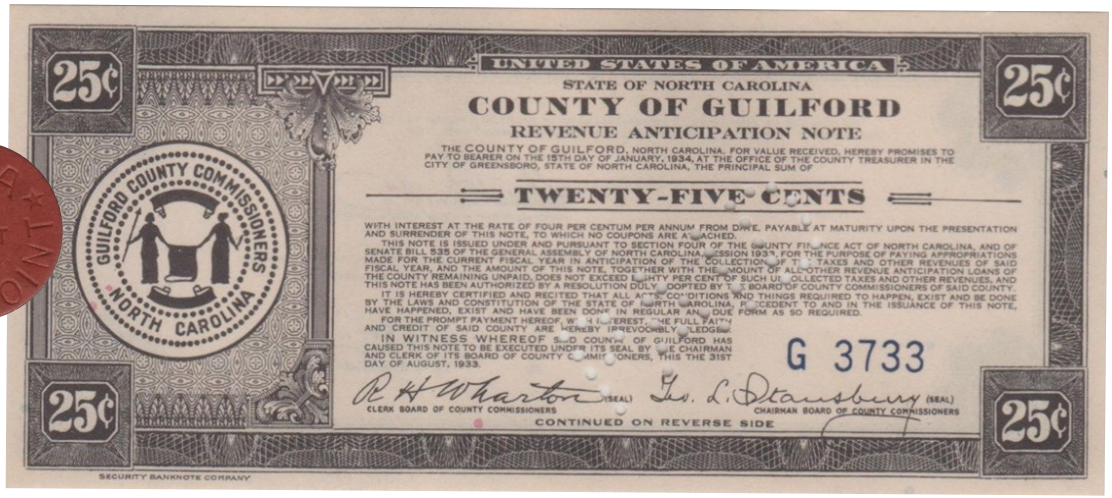
ATTS NEWSLETTER



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President's Message

By John Ostendorf, R-518

Dear fellow sales tax token collectors,

I hope this letter finds you all well. In this issue you will find part two of an article that I've been working on for years. I hope you like it.

This article reminded me of some of the similarities and crossover collecting there is between sales tax token collecting and other numismatic specialties. In this article I mention depression scrip. Both STTs and Depression Scrip have roots in the Great Depression. Tenino STTs are even pictured in the Depression Scrip catalog. Both are forms of emergency money, a broad field that I find fascinating and have collected for years. I am sure that many of you collect STTs as part of an even broader collection or were drawn to STTs due to an interest in a related field of numismatics.

The ANA's World's Fair of Money will be held August 5-9, 2014 in Chicago at the Rosemont Convention Center. As I don't think many members will be there, I have not reserved a meeting room for the ATTS. However, if you are planning on attending, I am not hard to find. I spend the majority of my time at the Civil War Token Society booth. Stop by and say hi!

All my best,
John

Organizational Report February 28, 2014

New members: Glenn Johnson **Reinstatements:** None **Drops:** None

Membership 5/31/2014: 85 Paid + 6 Donated
(Editor's note - 1 member added before this issue ran, so number of paid is now 86.)

Financial Report March 1—May 31, 2014

Checking Account

Balance 03/01/2014	**$1655.77**	**Expenses: $ 0**	**Income: $ 68.00**
Balance 04/01/2014	**$1727.77**	**Expenses: $15.99**	**Income: $ 0**
Balance 05/01/2014	**$1711.78**	**Expenses: $156.88**	**Income: $ 0**
Balance 05/31/2014	**$1554.90**		

Donations: Paul Webb

Savings Account Balance 5/31/2014 $2954.60

All donations are appreciated very much and help keep us from needing to raise the dues. Life members, it is okay if you wish to make a donation

☺

Trading Post

WANTED: Your classified ad. Each member is entitled to a free ad in each issue. Your ad can be run in more than one issue if you let the editor know. The editor reserves the right to publish ads relative to space limitations. New ads will receive first priority over continuing ads. Full page display ads are $30 per issue - half page is $15 per issue.

Rare New Mexico Sales Tax Token For Sale: S-8, black fiber, 5 mills, R-7, Unc., $95.00 ppd. Mike Batkin, P.O. Box 13223, El Paso, TX 79940

Casino Chips Wanted – Check your top drawer, jewelry box, etc. Buying one chip or whole collections. Please contact Peter Volburg, P.O. Box 3037, Farmingdale, NY 11735 or QUALPETE@aol.com

Looking for a nice example of an **Oklahoma S-7**. Contact Jim Calvert at 1984 B. Lyn Road, Arroyo Grande, CA 93420 or jnlcalvert@gmail.com

Paying Cash for STT's I need. (Ex: $400 paid last year for Livingstone) Still seeking **IL-L3 Astoria**; also need state issues, e.g. IL-S1A, S1C, S2B, S3; about 40 other tokens needed in all, email promethium@aol.com or call 248 682-8631 evenings. Mike Strub.

For Sale: #NE-R5 "We Don't Use Funny Money in Nebraska" circulated $25, #NE-02 "White Spot" stamp unused $25, "White Spot" envelope commemorating National Air Mail Week $35. Wayne Hohndorf, 6932 Pinkney St., Omaha, NE 68104

Editor's Comments

By Mike Strub, L-504

Okay, John, I'll see you there. I'll be around on Tuesday and Wednesday, some of that time manning Michigan State Numismatic Society's club table!

The other day I took a break from my four or five part time jobs and realized that it was already Summer, my younger daughter had graduated from high school, and that both of my kids were at their summer jobs. Apparently, no one had the courtesy to put their lives on hold until I had caught up with my myriad tasks.

I exaggerate. Actually, I got up out of my den in February and saw my shadow. I was so frightened I had to return to my den and get back to work.

Having made it to a few coin shows over the last few years, as well as corresponding with Monte Dean, I have acquired a few boxes of items that need to be "processed" into my collection. I promise myself I will get around to it just as soon as all of my duties are completed for my positions in numismatic clubs! The fun thing about putting your acquisitions into a box, instead of your collection, is that when you open the box a year or two later, it is like finding those treasures all over again!

Actually, I had better get back to work right now! Too much dilly-dallying!

Micronumismatically Yours,
Mike Strub

The Great Depression and It's Relationship to Sales Tax Tokens (part 2)

- by John Ostendorf, R-518

In the last article on this subject, we examined the beginning of the Great Depression and the devastating effects on the U.S. economy and Americans in general. Unemployment had skyrocketed by 1933, economic production had plummeted, there were thousands of bank failures, and the economy was in shambles.

So how does this terrible chapter in history relate to sales tax tokens? Well, depression or not, local governments still have to provide police and fire protection and basic services. Schools still need to open and educate children, so teachers have to be paid.

In general, state and local governments have to operate on a balanced budget and must raise taxes or issue debt to raise the revenue they need to function. The issuance of debt during the Great Depression was nearly impossible as the financial system was devastated. Therefore, state and local governments had to rely on taxes as a revenue source.

Today, local taxation is often referred to as a "three legged stool". We are all familiar with those three legs - income tax, property tax, and sales tax. There are many other taxes (and fees) of course, but "the big three" are the primary sources of most state and local governments today.

During the depths of the Great Depression in the early 1930's, most state and local governments operated with only one or two of the "big three" taxes with devastating effects. There is an obvious problem with an income tax in an environment in which incomes are falling or nonexistent. When there is no income to tax, there is no revenue for state and local governments.

Similarly with the property tax, if a property owner cannot pay the tax, there is no revenue for

1932 City of Charleston, SC depression scrip used in payment of a policeman's salary

the government. The only remedy for the taxing authority is to foreclose on the property and

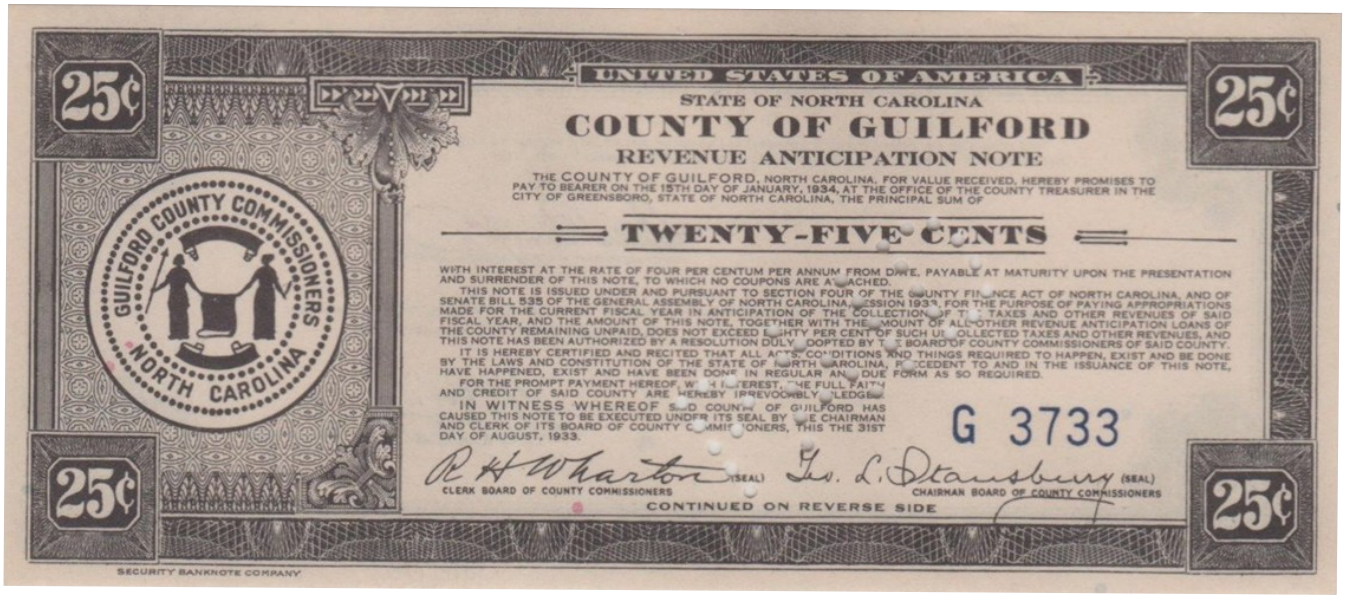
sell it at public auction. This is a very costly and unpopular remedy to begin with and was an unfeasible one during the Great Depression when there would be few bidders for a foreclosed property.

Deprived of revenue, many state and local governments resorted to the issuance of scrip to pay their employees. Often, the scrip was backed by anticipated tax revenues. Employees paid with this scrip were probably at the mercy of merchants, many who probably discounted the scrip, effectively causing these employees to take a pay cut. By 1933, over 400 communities were issuing some form of scrip.

Many collectors are familiar with the need for depression scrip due to the national "bank holiday"; however, the "bank holiday" period was brief and depression scrip was issued for years beyond this temporary period. Sadly, many governments were forced to issue scrip to their employees for many years simply due to a lack of true currency.

It is somewhat ironic that the then Treasury Secretary Henry Morgenthau, Jr., who took such exception to the issuance of sales tax tokens by the states as an unconstitutional issuance of money, apparently did nothing when states and local governments nationwide were issuing tax anticipation notes, pay warrants, and other associated scrip.

However, the issuance of this type of scrip could not go on forever. At best, it was backed by "anticipated tax revenues" that weren't being collected. As such, the scrip was probably more heavily discounted as more of it was issued. Simply put, state and local governments didn't have many options when turning to a sales tax as a revenue source.


25¢
UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA
COUNTY OF GUILFORD
REVENUE ANTICIPATION NOTE
THE COUNTY OF GUILFORD, NORTH CAROLINA, FOR VALUE RECEIVED, HEREBY PROMISES TO PAY TO BEARER ON THE 15TH DAY OF JANUARY, 1934, AT THE OFFICE OF THE COUNTY TREASURER IN THE CITY OF GREENSBORO, STATE OF NORTH CAROLINA, THE PRINCIPAL SUM OF
TWENTY-FIVE CENTS
WITH INTEREST AT THE RATE OF FOUR PER CENTUM PER ANNUM FROM DATE, PAYABLE AT MATURITY UPON THE PRESENTATION AND SURRENDER OF THIS NOTE, TO WHICH NO COUPONS ARE ATTACHED.
THIS NOTE IS ISSUED UNDER AND PURSUANT TO SECTION FOUR OF THE COUNTY FINANCE ACT OF NORTH CAROLINA, AND OF SENATE BILL 535 OF THE GENERAL ASSEMBLY OF NORTH CAROLINA, SESSION 1933, FOR THE PURPOSE OF PAYING APPROPRIATIONS MADE FOR THE CURRENT FISCAL YEAR IN ANTICIPATION OF THE COLLECTION OF TAXES AND OTHER REVENUES OF SAID FISCAL YEAR, AND THE AMOUNT OF THIS NOTE, TOGETHER WITH THE AMOUNT OF ALL OTHER REVENUE ANTICIPATION LOANS OF THE COUNTY REMAINING UNPAID, DOES NOT EXCEED EIGHTY PER CENT OF SUCH UNCOLLECTED TAXES AND OTHER REVENUES, AND THIS NOTE HAS BEEN AUTHORIZED BY A RESOLUTION DULY ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF SAID COUNTY.
IT IS HEREBY CERTIFIED AND RECITED THAT ALL ACTS, CONDITIONS AND THINGS REQUIRED TO HAPPEN, EXIST AND BE DONE BY THE LAWS AND CONSTITUTION OF THE STATE OF NORTH CAROLINA, PRECEDENT TO AND IN THE ISSUANCE OF THIS NOTE, HAVE HAPPENED, EXIST AND HAVE BEEN DONE IN REGULAR AND DUE FORM AS SO REQUIRED.
FOR THE PROMPT PAYMENT HEREOF, WITH INTEREST, THE FULL FAITH AND CREDIT OF SAID COUNTY ARE HEREBY IRREVOCABLY PLEDGED.
IN WITNESS WHEREOF SAID COUNTY OF GUILFORD HAS CAUSED THIS NOTE TO BE EXECUTED UNDER ITS SEAL BY THE CHAIRMAN AND CLERK OF ITS BOARD OF COUNTY COMMISSIONERS, THIS THE 31ST DAY OF AUGUST, 1933.
G 3733
CLERK BOARD OF COUNTY COMMISSIONERS (SEAL)
CHAIRMAN BOARD OF COUNTY COMMISSIONERS (SEAL)
CONTINUED ON REVERSE SIDE
GUILFORD COUNTY COMMISSIONERS
NORTH CAROLINA
SECURITY BANKNOTE COMPANY

Guilford County, NC revenue anticipation note

Of course the introduction of a sales tax was an unpopular notion anywhere it was proposed. The last thing anyone who was suffering through the Great Depression needed was an additional burden. Worse, the sales tax is an unfair, regressive tax that hits the poor harder than the wealthy as the poor must spend a larger portion of their income than the wealthy.
Regressive or not, fair or not, a sales tax is collectable. The following poster shows how the sales tax was used to fill the revenue gap from other tax sources in Ohio in 1936:

WHO GETS THE SALES TAX MONEY
1936
YOUR SCHOOLS
$24,750,000.
CITIES, COUNTIES AND TOWNSHIPS
$16,500,000.
POOR RELIEF
$10,000,000.
STATE OF OHIO GETS NONE EXCEPT THE COST OF ADMINISTRATION
THE SALES TAX GOES BACK TO THE COMMUNITIES IN WHICH IT IS PAID - TO KEEP SCHOOLS OPEN - TO KEEP LOCAL GOVERNMENTS FROM COLLAPSING - AND TO KEEP PEOPLE FROM STARVING!

This poster also demonstrates an effort on the part of the authorities in Ohio to make the sales tax more acceptable. Under the circumstances, they have to be commended for their effort.

Sources:

Wikipedia http://en.wikipedia.org/wiki/Great_depression
Standard Catalog of Depression Scrip, Ralph A. Mitchell and Neil Shafer, K rause Publications, Iola, Wisconsin, 1984.

Embossed Fiber Tokens

By Nick Sapone (R-517)

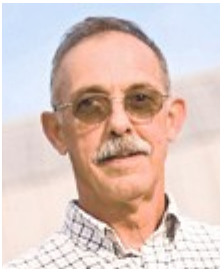


Image: Lissa Gotwals

During my early research, while studying curved clips I noticed that most if not all ration token collectors just lumped their errors into one or two categories. That system worked for years as the search for a complete set of the 54 different die codes was the main objective. Error tokens were also collected during our pursuit but very little was actually known about them or the well-made tokens or even about how any of them were made. We needed some specific answers to a number of lingering questions.

While looking into this matter and studying those curved clips I noticed that there would be a problem labeling error tokens having the same design on both sides. Clipped coins are described while viewing their obverse and the same method should be applied to ration tokens. Otherwise a clip at 2:00 could just as easily be called a clip at 4:00 if the token was turned over. So we needed to know which side is the top and preferably in a way that was easy to discern.

Top or Bottom

But numerous close examinations of both sides was revealing no difference in them. The situation should be corrected before anyone began to wonder if we really knew which end was up about our favorite hobby. Surely there must be some clue that I was overlooking. At least I hoped so because this particular determination was very important. Without knowing which side was the top we would be having endless problems in accurately communicating specific details about ration token errors. This also applies to certain other “same sided” tokens such as Canada’s ration tokens and the Oklahoma S-15 and S-16 State Sales Tax tokens and no doubt some others as well. The diligent search paid off when I finally discovered the telling clues that were needed. They were undeniable but hidden for a while on the token’s “third side.” My own fingertips had been touching the answer that was waiting there neglected on the token’s edge.

Punched Edge Details

When looking at a ration token’s edge you will notice on most of them that one of the outer layers, either red or blue will appear thicker than the other side does. Also notice that this thicker layer has a slightly rounded edge while the thinner layer has a sharp edge. These features are acquired during the punching process. Both outer layers are actually the same thickness but the thickest looking layer with the rounded edge is the token’s bottom. While the token is being punched out, the bottom layer is stressed to the point that it is cut by the punch plate hole with the token’s edge being smeared upward as it is being forced through. This “edge smearing” partly onto the core

makes the bottom layer look thicker while the enormous pressure also gives the bottom layer it's slightly rounded edge feature.

The thinner top layer is actually made to look thinner by the punching, which smears the ration token's yellow core upward partly covering the top layer's side. The top layer retains a sharp edge due to it being fully supported by the punch face while under the stress of being punched from the ribbon. These same edge characteristics are, to varying degrees, left on all American and Canadian ration tokens. But, due primarily to a different fiber composition that was used for the Oklahoma tax tokens their edge detail is much less noticeable. However, with practice it can still be seen well enough with average vision to determine the token's top from its bottom and the use of magnification should dispel any doubt.

There are many differences in edge quality among ration tokens with some edges being sheared very smooth or shiny while others might look scaly, rough, uneven or at a slight slant. This is due to several factors that range from normal machine clearances, to equipment wear or damage. Also the fiber material was made different for different kinds of tokens, causing other variations as well. But the basics of embossed fiber token edge details that are outlined above will still apply.

As you can see in reference to these kinds of tokens, knowing about the edge detail information and how to decipher its cause allows us to easily determine top or bottom at a glance. Even though there are some other differences to consider, this information can be used to keep us in step with a basic guideline of error token identification. That is, to describe the error as viewed from its "obverse" side. However, in this case perhaps "top" is a better term.

Now we can do so with confidence in clearly knowing which end is up.

Sales Tax Tokens Online Jan - June, 2014

By Ralph Harnishfeger, R-464

Editor's note—I found two pictures online of Ralph - above is the higher resolution image :)

A lot described as "massive group of 442 tax tokens…" sold on May 22 for $245.01 with 45 bids.

A lot with identical description and photo to the above lot sold on June 11 for $78.89 with 19 bids.

A group of 35 different unc. Tax tokens, mostly IL closed on March 6 with 22 bids at $60.00

Our current catalog sold on February 20 and May 1 for $49.95 using buy it now with free shipping.

A group of 40 tax tokens in 2x2 holders from 12 states sold on May 30 for $45.89 with 36 bids.

Two lots with this identical picture of 442 tax tokens sold this quarter in May and June. One brought $245.01 and the second $78.89.

100+ WA metal tax tokens sold on May 12 using buy it now for $28.25.

32 tax tokens in 2x2's attributed sold on March 8 for $26.00 with one bid, shipping was free.

Louisville, KY arctic ice pair of 5 and 10 cent tokens sold on March 7 for $25.00 with 3 bids.

A large group of 500 WA metal tax tokens on string closed on May 3 for $22.49 with 13 bids.

A mixed 4 state grouping of 171 tax tokens closed on April 26 for $20.51 with 4 bids.

365 red MO plastics sold on March 1 for $20.06 with 3 bids.

18 AZ metal 5 mill tax tokens, called a "closeout" sold on March 25th for $20.00 with 1 bid.

200 mixed lot of tax tokens, 4 states OK,KS,WA,MO, closed March 29 for $19.99 and just 1 bid.

100 MO red 1 mill plastic tokens attracted 1 bid and closed on February 21 at $19.95

Our current catalog sold on March 30 for $18.50, a bargain, with just 4 bids.

296 mixed metal and plastic tax tokens closed on April 17 for $18.27 with 13 bids.

75 vintage WA tax tokens, 3 types, closed on May 5 using buy it now at $17.95

Glass jar with green ,red and gray tax tokens. Looked to be about half full, closed on March 7 with free shipping at $16.00 using buy it now option.

72 green MO plastic 5 mill tokens sold on March 1 for $15.79 with 5 bids.

21 mixed tax tokens in 2x2 and attributed closed on May 5 for $14.99 with 2 bids.

KY arctic ice pair of 5 and 10 cent tokens sold on March 5 for $13.50 using buy it now.

50 MO red 1 mill plastics closed on February 19 for $13.45 with 3 bids and free shipping.

8 diff.erent IL provisional metal tax tokens sold March 30 for $13.12 with 6 bids and free shipping.

185 mixed metal and plastic tax tokens sold on March 5 for $12.94 with 5 bids.

50 Zn and plastic MO tax tokens closed on March 30 for $12.49 with 4 bids.

100 WA tax tokens, called "an amazing lot" by the seller attracted 4 bids and sold on March 23 for $11.17.

240 red 1 mill MO plastic tokens closed on April 24 at $10.50 with 4 bids.

Mixed lot of tax tokens, all compositions, looked like 100 or more, closed on March 17 for $10.49 with 2 bids.

20 tax tokens and stamps, attributed and in 2x2's had 1 bid at $10.00, closed on February 18.

4 OK tax tokens in paper, 2 each 1 and 5 mills, sold for $9.99 using buy it now on Feb. 15.

4 MO tax tokens, 3 Zn and 1 paper brought $9.99 with 1 bid on February 24.

60 WA metal Al tax tokens sold for $9.99 using buy it now on March 23.

Schimmel's 2nd edition pamphlet on tax tokens sold April 20 for $9.95 using buy it now.

16 different tax tokens from several states sold for $9.95 using buy it now on May 2.

Vintage tax token lot, estimated at 100 or so from the photo, closed on April 28 for $9.95 with 4 bids.

Three groups of 45 MO red plastic tax tokens sold on Feb 20, 21 and March 17 for $8.99 using buy it now option.

10 MO tax tokens, mostly paper but 2 Zn sold using buy it now on May 4 for $8.29.

Old token dispenser with KS tokens sold for $8.00 with 3 bids on April 4th, Shipping was $3.

Sales tax token dispenser with Kansas tokens sold on April 4, 2014 for $8.00 plus $3.00 Shipping.

20 mixed tokens from several states closed on May 12 for $8.00 with free shipping and 1 bid.

54 MO tax tokens, variety of types sold for $8.00 on May 12 with 1 bid.

50 MO plastics, red color, sold on February 21 with 1 bid for $7.99 with free shipping.

50 MO Zn tax tokens sold on February 27 with 1 bid for $7.99. Same result on March 20.

15 mixed tax tokens closed on March 23 for $7.99 with 4 bids.

35 WA tax tokens of several types, 1 paper, closed on March 4 at $7.95 with 1 bid.

28 tax tokens from various states in 2x2's sold on April 23 for $7.49 with 2 bids.

4 IL provisional metal tax tokens, including Beardstown R5 brought $7.17 on March 21 with 4 bids.

4 IL provisional metal tax tokens including Jacksonville, Arcola and Effingham, sold on April 1 for $6.95 using buy it now option.

50 mixed tax tokens sold on February 20 for $6.00 with just 1 bid.

14 LA tax tokens of 2 types sold on February 22 for $5.99 with 1 bid.

50 CO tax tokens closed on March 2 for $5.99 using the buy it now option.

10 AZ tax tokens of several types sold on March 2 for $5.99 with just 1 bid.

American Tax Token Society (ATTS)

The **ATTS** is a not-for-profit, tax-exempt, educational and research social club. It is registered as a 501(c)(3) organization under IRS guidelines. All donations are tax-deductible subject to IRS guidelines.

The **ATTS Newsletter** is the official quarterly publication of the ATTS published for its members, and is mailed first class from Waterford, Michigan, USA. Copies are available to schools, universities, museums and other educational or related organizations upon request. The request must be made in writing on the organizational letterhead and signed by a legal representative of that organization. Portions of the newsletter may be reprinted if written permission is first obtained from the society and/or the original author. However, excerpts may be reprinted without permission. Articles reprinted from sources outside of the ATTS must have permission from the original source.

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Information about **membership**, address changes, dues and donations should be addressed to the club secretary-treasurer. Membership dues are $12 (U.S.) for U.S. and Canadian addresses and $15 (U.S.) for the U.K. and Europe. Write for additional rates depending on the country. Lifetime membership dues are $160 (U.S. addresses only), $180 (U.S.) for Canadian addresses and $300 (U.S.) for U.K. and Europe. The membership calendar year begins in the 1st, 2nd, 3rd, or 4th Quarter.

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